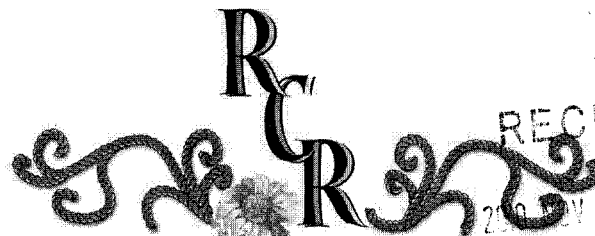


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RINCON CREEK RANCH

Vacation Casitas

Rinconcreekranch.com

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Arizona Corporation Commission

DOCKETED

NOV 26 2010

November 17, 2010

Ms. Kiana Sears
Executive Consultant I
Arizona Corporation Commission, Utilities Division
1200 W. Washington Street
Phoenix, Arizona 85007-2927

DOCKETED BY

Re: Review Comments/Objections to Staff Report dated October 8, 2010 regarding the Application for Approval of Sale and Transfer of Certificate of Convenience and Necessity of Rincon Creek Water Company to William and Gretchen Shirley from Mr. Michael W. Shultz.
Docket No. W-03783A-10-0172

Dear Kiana,

I have reviewed the above referenced staff report, and have a few comments:

On Page 3 of the September 30, 2010 Memorandum from Dorothy Hains, under the *Annual Report Data* heading, it is indicated that "Staff is recommending that these meters be equipped in the Rincon Creek water system within 12 months after the effective date of the decision in this matter." However, on page one of the Executive Summary, and on page two of the Report, it is recommended that documentation indicating that all of the meters have been installed be provided within 180 days after the decision in this matter.

As you are aware, we are working our way through the Pima County Development Plan process. Our Consulting Engineers, The WLB Group (contact Paul Oland (520) 881-7480), have been working on this project since April of 2010. This is a very lengthy and detailed process requiring lots of back and forth with the County. Our water supply engineering consultants, Westland Resources (contact Mark Taylor (520) 206-9585) has also been on board since March 2010, and we have just hired Herb Dishlip, P.E. (480) 897-1274 for ADWR and ACC regulatory consulting. As you know, we are developing the property with additional guest casitas. The requirements of the Rincon Valley Fire Department, and the new construction necessitate upgrading the existing system. The preliminary design of the water supply system is part of the Development process required by Pima County. We have every intention of providing metering on the well, but will have to provide these in conjunction with the construction of the new upgrades. We believe that the 12 month window recommended by Dorothy Hains is reasonable. We should have approved plans by then. We will not be able to provide the construction and metering within 180 days.

It is our intent to provide a master meter on the well, separate metering of the irrigation and service provision supply, and metering of new service lines only. We have reviewed the Annual Report filing requirements, and believe this will satisfy the requirement of providing the actual gallons/cubic feet

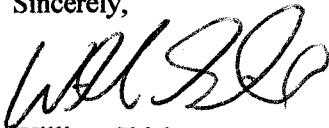
Ms. Kiana Sears
AZ Corporation Commission
Utilities Division
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Page 2

pumped each month. The existing four customers have been un-metered for over thirty years. They have Grandfathered Prescriptive rights, thus metering of those lines will not be provided.

On the advice of our attorney, we have formed the Rincon Creek Water Company, LLC, of which Gretchen and I are the sole managers for ownership of the water company.

We look forward to meeting you at the hearing on December 10th. Thank you for your assistance in this matter.

Sincerely,



William Shirley
Rincon Creek Ranch

Copied via Certified USPS Mail:

Docket Control Center, ACC, 1200 W. Washington St., Phoenix AZ, 85007

Copied via regular USPS Mail:

Steven M. Olea, Director, Utilities Division, ACC, 1200 W. Washington St., Phoenix AZ, 85007

Mr. Mike Shultz, Owner, Rincon Creek Water Company, 1102 N. Anita, Tucson, AZ 85702

Mr. Mark Taylor, P.E., Principal, Westland Resources, 4001 E. Paradise Falls, Tucson AZ 85712